

1 AN ACT in relation to taxes.

2 Be it enacted by the People of the State of Illinois,  
3 represented in the General Assembly:

4 Section 5. The Property Tax Code is amended by changing  
5 Section 18-185 as follows:

6 (35 ILCS 200/18-185)

7 Sec. 18-185. Short title; definitions. This Division 5  
8 may be cited as the Property Tax Extension Limitation Law.  
9 As used in this Division 5:

10 "Consumer Price Index" means the Consumer Price Index for  
11 All Urban Consumers for all items published by the United  
12 States Department of Labor.

13 "Extension limitation" means (a) the lesser of 5% or the  
14 percentage increase in the Consumer Price Index during the  
15 12-month calendar year preceding the levy year or (b) the  
16 rate of increase approved by voters under Section 18-205.

17 "Affected county" means a county of 3,000,000 or more  
18 inhabitants or a county contiguous to a county of 3,000,000  
19 or more inhabitants.

20 "Taxing district" has the same meaning provided in  
21 Section 1-150, except as otherwise provided in this Section.  
22 For the 1991 through 1994 levy years only, "taxing district"  
23 includes only each non-home rule taxing district having the  
24 majority of its 1990 equalized assessed value within any  
25 county or counties contiguous to a county with 3,000,000 or  
26 more inhabitants. Beginning with the 1995 levy year, "taxing  
27 district" includes only each non-home rule taxing district  
28 subject to this Law before the 1995 levy year and each  
29 non-home rule taxing district not subject to this Law before  
30 the 1995 levy year having the majority of its 1994 equalized  
31 assessed value in an affected county or counties. Beginning

1 with the levy year in which this Law becomes applicable to a  
2 taxing district as provided in Section 18-213, "taxing  
3 district" also includes those taxing districts made subject  
4 to this Law as provided in Section 18-213.

5 "Aggregate extension" for taxing districts to which this  
6 Law applied before the 1995 levy year means the annual  
7 corporate extension for the taxing district and those special  
8 purpose extensions that are made annually for the taxing  
9 district, excluding special purpose extensions: (a) made for  
10 the taxing district to pay interest or principal on general  
11 obligation bonds that were approved by referendum; (b) made  
12 for any taxing district to pay interest or principal on  
13 general obligation bonds issued before October 1, 1991; (c)  
14 made for any taxing district to pay interest or principal on  
15 bonds issued to refund or continue to refund those bonds  
16 issued before October 1, 1991; (d) made for any taxing  
17 district to pay interest or principal on bonds issued to  
18 refund or continue to refund bonds issued after October 1,  
19 1991 that were approved by referendum; (e) made for any  
20 taxing district to pay interest or principal on revenue bonds  
21 issued before October 1, 1991 for payment of which a property  
22 tax levy or the full faith and credit of the unit of local  
23 government is pledged; however, a tax for the payment of  
24 interest or principal on those bonds shall be made only after  
25 the governing body of the unit of local government finds that  
26 all other sources for payment are insufficient to make those  
27 payments; (f) made for payments under a building commission  
28 lease when the lease payments are for the retirement of bonds  
29 issued by the commission before October 1, 1991, to pay for  
30 the building project; (g) made for payments due under  
31 installment contracts entered into before October 1, 1991;  
32 (h) made for payments of principal and interest on bonds  
33 issued under the Metropolitan Water Reclamation District Act  
34 to finance construction projects initiated before October 1,

1 1991; (i) made for payments of principal and interest on  
2 limited bonds, as defined in Section 3 of the Local  
3 Government Debt Reform Act, in an amount not to exceed the  
4 debt service extension base less the amount in items (b),  
5 (c), (e), and (h) of this definition for non-referendum  
6 obligations, except obligations initially issued pursuant to  
7 referendum; (j) made for payments of principal and interest  
8 on bonds issued under Section 15 of the Local Government Debt  
9 Reform Act; and (k) made by a school district that  
10 participates in the Special Education District of Lake  
11 County, created by special education joint agreement under  
12 Section 10-22.31 of the School Code, for payment of the  
13 school district's share of the amounts required to be  
14 contributed by the Special Education District of Lake County  
15 to the Illinois Municipal Retirement Fund under Article 7 of  
16 the Illinois Pension Code; the amount of any extension under  
17 this item (k) shall be certified by the school district to  
18 the county clerk.

19 "Aggregate extension" for the taxing districts to which  
20 this Law did not apply before the 1995 levy year (except  
21 taxing districts subject to this Law in accordance with  
22 Section 18-213) means the annual corporate extension for the  
23 taxing district and those special purpose extensions that are  
24 made annually for the taxing district, excluding special  
25 purpose extensions: (a) made for the taxing district to pay  
26 interest or principal on general obligation bonds that were  
27 approved by referendum; (b) made for any taxing district to  
28 pay interest or principal on general obligation bonds issued  
29 before March 1, 1995; (c) made for any taxing district to pay  
30 interest or principal on bonds issued to refund or continue  
31 to refund those bonds issued before March 1, 1995; (d) made  
32 for any taxing district to pay interest or principal on bonds  
33 issued to refund or continue to refund bonds issued after  
34 March 1, 1995 that were approved by referendum; (e) made for

1 any taxing district to pay interest or principal on revenue  
2 bonds issued before March 1, 1995 for payment of which a  
3 property tax levy or the full faith and credit of the unit of  
4 local government is pledged; however, a tax for the payment  
5 of interest or principal on those bonds shall be made only  
6 after the governing body of the unit of local government  
7 finds that all other sources for payment are insufficient to  
8 make those payments; (f) made for payments under a building  
9 commission lease when the lease payments are for the  
10 retirement of bonds issued by the commission before March 1,  
11 1995 to pay for the building project; (g) made for payments  
12 due under installment contracts entered into before March 1,  
13 1995; (h) made for payments of principal and interest on  
14 bonds issued under the Metropolitan Water Reclamation  
15 District Act to finance construction projects initiated  
16 before October 1, 1991; (i) made for payments of principal  
17 and interest on limited bonds, as defined in Section 3 of the  
18 Local Government Debt Reform Act, in an amount not to exceed  
19 the debt service extension base less the amount in items (b),  
20 (c), and (e) of this definition for non-referendum  
21 obligations, except obligations initially issued pursuant to  
22 referendum and bonds described in subsection (h) of this  
23 definition; (j) made for payments of principal and interest  
24 on bonds issued under Section 15 of the Local Government Debt  
25 Reform Act; (k) made for payments of principal and interest  
26 on bonds authorized by Public Act 88-503 and issued under  
27 Section 20a of the Chicago Park District Act for aquarium or  
28 museum projects; (l) made for payments of principal and  
29 interest on bonds authorized by Public Act 87-1191 and issued  
30 under Section 42 of the Cook County Forest Preserve District  
31 Act for zoological park projects; and (m) made pursuant to  
32 Section 34-53.5 of the School Code, whether levied annually  
33 or not.

34 "Aggregate extension" for all taxing districts to which

1 this Law applies in accordance with Section 18-213, except  
2 for those taxing districts subject to paragraph (2) of  
3 subsection (e) of Section 18-213, means the annual corporate  
4 extension for the taxing district and those special purpose  
5 extensions that are made annually for the taxing district,  
6 excluding special purpose extensions: (a) made for the taxing  
7 district to pay interest or principal on general obligation  
8 bonds that were approved by referendum; (b) made for any  
9 taxing district to pay interest or principal on general  
10 obligation bonds issued before the date on which the  
11 referendum making this Law applicable to the taxing district  
12 is held; (c) made for any taxing district to pay interest or  
13 principal on bonds issued to refund or continue to refund  
14 those bonds issued before the date on which the referendum  
15 making this Law applicable to the taxing district is held;  
16 (d) made for any taxing district to pay interest or principal  
17 on bonds issued to refund or continue to refund bonds issued  
18 after the date on which the referendum making this Law  
19 applicable to the taxing district is held if the bonds were  
20 approved by referendum after the date on which the referendum  
21 making this Law applicable to the taxing district is held;  
22 (e) made for any taxing district to pay interest or principal  
23 on revenue bonds issued before the date on which the  
24 referendum making this Law applicable to the taxing district  
25 is held for payment of which a property tax levy or the full  
26 faith and credit of the unit of local government is pledged;  
27 however, a tax for the payment of interest or principal on  
28 those bonds shall be made only after the governing body of  
29 the unit of local government finds that all other sources for  
30 payment are insufficient to make those payments; (f) made for  
31 payments under a building commission lease when the lease  
32 payments are for the retirement of bonds issued by the  
33 commission before the date on which the referendum making  
34 this Law applicable to the taxing district is held to pay for

1 the building project; (g) made for payments due under  
2 installment contracts entered into before the date on which  
3 the referendum making this Law applicable to the taxing  
4 district is held; (h) made for payments of principal and  
5 interest on limited bonds, as defined in Section 3 of the  
6 Local Government Debt Reform Act, in an amount not to exceed  
7 the debt service extension base less the amount in items (b),  
8 (c), and (e) of this definition for non-referendum  
9 obligations, except obligations initially issued pursuant to  
10 referendum; (i) made for payments of principal and interest  
11 on bonds issued under Section 15 of the Local Government Debt  
12 Reform Act; and (j) made for a qualified airport authority to  
13 pay interest or principal on general obligation bonds issued  
14 for the purpose of paying obligations due under, or financing  
15 airport facilities required to be acquired, constructed,  
16 installed or equipped pursuant to, contracts entered into  
17 before March 1, 1996 (but not including any amendments to  
18 such a contract taking effect on or after that date).

19 "Aggregate extension" for all taxing districts to which  
20 this Law applies in accordance with paragraph (2) of  
21 subsection (e) of Section 18-213 means the annual corporate  
22 extension for the taxing district and those special purpose  
23 extensions that are made annually for the taxing district,  
24 excluding special purpose extensions: (a) made for the taxing  
25 district to pay interest or principal on general obligation  
26 bonds that were approved by referendum; (b) made for any  
27 taxing district to pay interest or principal on general  
28 obligation bonds issued before the effective date of this  
29 amendatory Act of 1997; (c) made for any taxing district to  
30 pay interest or principal on bonds issued to refund or  
31 continue to refund those bonds issued before the effective  
32 date of this amendatory Act of 1997; (d) made for any taxing  
33 district to pay interest or principal on bonds issued to  
34 refund or continue to refund bonds issued after the effective

1 date of this amendatory Act of 1997 if the bonds were  
2 approved by referendum after the effective date of this  
3 amendatory Act of 1997; (e) made for any taxing district to  
4 pay interest or principal on revenue bonds issued before the  
5 effective date of this amendatory Act of 1997 for payment of  
6 which a property tax levy or the full faith and credit of the  
7 unit of local government is pledged; however, a tax for the  
8 payment of interest or principal on those bonds shall be made  
9 only after the governing body of the unit of local government  
10 finds that all other sources for payment are insufficient to  
11 make those payments; (f) made for payments under a building  
12 commission lease when the lease payments are for the  
13 retirement of bonds issued by the commission before the  
14 effective date of this amendatory Act of 1997 to pay for the  
15 building project; (g) made for payments due under installment  
16 contracts entered into before the effective date of this  
17 amendatory Act of 1997; (h) made for payments of principal  
18 and interest on limited bonds, as defined in Section 3 of the  
19 Local Government Debt Reform Act, in an amount not to exceed  
20 the debt service extension base less the amount in items (b),  
21 (c), and (e) of this definition for non-referendum  
22 obligations, except obligations initially issued pursuant to  
23 referendum; (i) made for payments of principal and interest  
24 on bonds issued under Section 15 of the Local Government Debt  
25 Reform Act; and (j) made for a qualified airport authority to  
26 pay interest or principal on general obligation bonds issued  
27 for the purpose of paying obligations due under, or financing  
28 airport facilities required to be acquired, constructed,  
29 installed or equipped pursuant to, contracts entered into  
30 before March 1, 1996 (but not including any amendments to  
31 such a contract taking effect on or after that date).

32 "Debt service extension base" means an amount equal to  
33 that portion of the extension for a taxing district for the  
34 1994 levy year, or for those taxing districts subject to this

1 Law in accordance with Section 18-213, except for those  
2 subject to paragraph (2) of subsection (e) of Section 18-213,  
3 for the levy year in which the referendum making this Law  
4 applicable to the taxing district is held, or for those  
5 taxing districts subject to this Law in accordance with  
6 paragraph (2) of subsection (e) of Section 18-213 for the  
7 1996 levy year, constituting an extension for payment of  
8 principal and interest on bonds issued by the taxing district  
9 without referendum, but not including excluded non-referendum  
10 bonds. For park districts (i) that were first subject to  
11 this Law in 1991 or 1995 and (ii) whose extension for the  
12 1994 levy year for the payment of principal and interest on  
13 bonds issued by the park district without referendum (but not  
14 including excluded non-referendum bonds) was less than 51% of  
15 the amount for the 1991 levy year constituting an extension  
16 for payment of principal and interest on bonds issued by the  
17 park district without referendum (but not including excluded  
18 non-referendum bonds), "debt service extension base" means an  
19 amount equal to that portion of the extension for the 1991  
20 levy year constituting an extension for payment of principal  
21 and interest on bonds issued by the park district without  
22 referendum (but not including excluded non-referendum bonds).  
23 The debt service extension base may be established or  
24 increased as provided under Section 18-212. "Excluded  
25 non-referendum bonds" means (i) bonds authorized by Public  
26 Act 88-503 and issued under Section 20a of the Chicago Park  
27 District Act for aquarium and museum projects; (ii) bonds  
28 issued under Section 15 of the Local Government Debt Reform  
29 Act; and or (iii) refunding obligations issued to refund or  
30 to continue to refund obligations initially issued pursuant  
31 to referendum. The--debt--service--extension--base--may--be  
32 established-or-increased-as-provided-under-Section-18-212.

33 "Special purpose extensions" include, but are not limited  
34 to, extensions for levies made on an annual basis for

1 unemployment and workers' compensation, self-insurance,  
2 contributions to pension plans, and extensions made pursuant  
3 to Section 6-601 of the Illinois Highway Code for a road  
4 district's permanent road fund whether levied annually or  
5 not. The extension for a special service area is not  
6 included in the aggregate extension.

7 "Aggregate extension base" means the taxing district's  
8 last preceding aggregate extension as adjusted under Sections  
9 18-215 through 18-230.

10 "Levy year" has the same meaning as "year" under Section  
11 1-155.

12 "New property" means (i) the assessed value, after final  
13 board of review or board of appeals action, of new  
14 improvements or additions to existing improvements on any  
15 parcel of real property that increase the assessed value of  
16 that real property during the levy year multiplied by the  
17 equalization factor issued by the Department under Section  
18 17-30 and (ii) the assessed value, after final board of  
19 review or board of appeals action, of real property not  
20 exempt from real estate taxation, which real property was  
21 exempt from real estate taxation for any portion of the  
22 immediately preceding levy year, multiplied by the  
23 equalization factor issued by the Department under Section  
24 17-30. In addition, the county clerk in a county containing a  
25 population of 3,000,000 or more shall include in the 1997  
26 recovered tax increment value for any school district, any  
27 recovered tax increment value that was applicable to the 1995  
28 tax year calculations.

29 "Qualified airport authority" means an airport authority  
30 organized under the Airport Authorities Act and located in a  
31 county bordering on the State of Wisconsin and having a  
32 population in excess of 200,000 and not greater than 500,000.

33 "Recovered tax increment value" means, except as  
34 otherwise provided in this paragraph, the amount of the

1 current year's equalized assessed value, in the first year  
2 after a municipality terminates the designation of an area as  
3 a redevelopment project area previously established under the  
4 Tax Increment Allocation Development Act in the Illinois  
5 Municipal Code, previously established under the Industrial  
6 Jobs Recovery Law in the Illinois Municipal Code, or  
7 previously established under the Economic Development Area  
8 Tax Increment Allocation Act, of each taxable lot, block,  
9 tract, or parcel of real property in the redevelopment  
10 project area over and above the initial equalized assessed  
11 value of each property in the redevelopment project area. For  
12 the taxes which are extended for the 1997 levy year, the  
13 recovered tax increment value for a non-home rule taxing  
14 district that first became subject to this Law for the 1995  
15 levy year because a majority of its 1994 equalized assessed  
16 value was in an affected county or counties shall be  
17 increased if a municipality terminated the designation of an  
18 area in 1993 as a redevelopment project area previously  
19 established under the Tax Increment Allocation Development  
20 Act in the Illinois Municipal Code, previously established  
21 under the Industrial Jobs Recovery Law in the Illinois  
22 Municipal Code, or previously established under the Economic  
23 Development Area Tax Increment Allocation Act, by an amount  
24 equal to the 1994 equalized assessed value of each taxable  
25 lot, block, tract, or parcel of real property in the  
26 redevelopment project area over and above the initial  
27 equalized assessed value of each property in the  
28 redevelopment project area. In the first year after a  
29 municipality removes a taxable lot, block, tract, or parcel  
30 of real property from a redevelopment project area  
31 established under the Tax Increment Allocation Development  
32 Act in the Illinois Municipal Code, the Industrial Jobs  
33 Recovery Law in the Illinois Municipal Code, or the Economic  
34 Development Area Tax Increment Allocation Act, "recovered tax

1 increment value" means the amount of the current year's  
2 equalized assessed value of each taxable lot, block, tract,  
3 or parcel of real property removed from the redevelopment  
4 project area over and above the initial equalized assessed  
5 value of that real property before removal from the  
6 redevelopment project area.

7 Except as otherwise provided in this Section, "limiting  
8 rate" means a fraction the numerator of which is the last  
9 preceding aggregate extension base times an amount equal to  
10 one plus the extension limitation defined in this Section and  
11 the denominator of which is the current year's equalized  
12 assessed value of all real property in the territory under  
13 the jurisdiction of the taxing district during the prior levy  
14 year. For those taxing districts that reduced their  
15 aggregate extension for the last preceding levy year, the  
16 highest aggregate extension in any of the last 3 preceding  
17 levy years shall be used for the purpose of computing the  
18 limiting rate. The denominator shall not include new  
19 property. The denominator shall not include the recovered  
20 tax increment value.

21 (Source: P.A. 91-357, eff. 7-29-99; 91-478, eff. 11-1-99;  
22 92-547, eff. 6-13-02.)